

Y2K and You

Y2K. It's an acronym that's so common it's made Webster's Dictionary. Y2K refers to a potential problem with computer operation when the date changes from 1999 to 2000. What does it mean for utility customers, what is the UTC doing about it, and what should you do for yourself and your family?

The Y2K problem is caused by a shortcut used in many information technology systems. Years ago, to conserve valuable data storage space and reduce entry time, computer programmers used two digits rather than four to record the year. Many date-sensitive information technologies recognize 00 as the year 1900, rather than as 2000. If not fixed, this problem could cause systems to malfunction.

While people focus on the upcoming New Year, the Y2K problem will be spread out over several years as a result of technology differences and other factors. Technology consulting firms have suggested that 25 percent of the computing system failures may occur in 1999; 55 percent during calendar year 2000; and 15 percent during calendar year 2001.

Because of the potential for problems, businesses, government agencies, and other organizations are assessing computer data systems and embedded microchips. These systems are supposed to be fixed or new systems installed. Contingency plans are being developed for maintaining vital services and functions in the event of a failure.

Solving the Y2K problem is not impossible, but repair and replacement of systems takes time and resources. Many service providers have self-imposed deadlines that require them to have critical systems ready several months ahead of the date change. Many regulatory bodies have set early deadlines for their regulated industries.

Find out about what your utilities are doing to meet the Y2K challenge, and what you as a customer should do to be prepared by turning to pages 4 and 5.

UTC Reviews Pacific Power Merger

Big changes have been proposed for one of Washington state's largest electric companies.

Last December, Scottish Power arranged to buy PacifiCorp—the holding company for Pacific Power and Utah Power. The Portland-based company is the third largest electric utility west of the Mississippi River with 1.4 million customers and about 10,000 employees in five states—Oregon, Utah, Wyoming, Washington and Idaho. PacifiCorp owns 17 coal plants and 52 hydroelectric facilities, which in total generate 8,300 megawatts of electricity. PacifiCorp also serves 550,000 electricity customers in Australia. Prior to completing the merger, PacifiCorp expects to sell its small service areas in Montana and California.

In Washington, PacifiCorp serves 115,900 customers mostly in Yakima, Garfield, Columbia, Kittitas, and Walla Walla counties.

Scottish Power is the largest utility in the United Kingdom and ranks as one of the 10 largest utilities in the world. Its purchase of PacifiCorp would mark the first time a foreign company has purchased a major U.S. electric utility. Scottish Power serves 5 million

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COMMISSIONERS CORNER

By Commissioner
Dick Hemstad



For centuries doctors have followed the Hippocratic Oath which advises “first, do no harm.” What’s good advice for medicine is also good advice for public policy makers trying to restructure the electric industry.

For several years we’ve heard of the need to pass sweeping national legislation that would open retail electric markets to competition, while still preserving conservation, renewable resources, and low-income protections. Different interests have joined the debate, each jockeying to ensure that national legislation is to their liking. For Northwest residents, the stakes are high because we have abundant, low-cost power resources that underpin our economy. Not surprisingly, the diverse opinions on national electric restructuring have led to a legislative impasse.

Meanwhile, the industry has been quietly restructuring itself without the aid of Congress. In Washington state over the last several years, we’ve seen the regulated electric companies each make major changes. Puget Power merged with Washington Natural Gas to form Puget Sound Energy. Washington Water Power

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customers—about one in five British households. The combined company will be known as Scottish Power and will have approximately 7 million customers and 23,500 employees worldwide.

While the combined company’s headquarters will remain in Glasgow, Scotland, initial plans are to continue operating Pacific Power under its current name and to retain PacifiCorp’s headquarters in Portland, Oregon.

As part of its review, the UTC must decide whether Scottish Power is qualified to take over management of PacifiCorp by reviewing its financial and managerial fitness. To approve the transaction, the commission must determine that existing customers will at least experience no harm as a result of the ownership change. The Commission’s staff has recommended approval of the merger, with conditions, but the Commission will not decide until this fall after it has taken comments from interested parties and the public.

Scottish Power is promising to commit the \$10 million in annual savings resulting from corporate management efficiencies to improving customer service and service quality and has proposed eight customer service guarantees. One guarantee would pay customers for extended outages and missed appointments. For example, if the electricity goes out due to a failure in PacifiCorp’s system and it’s not restored within 24 hours, each affected residential customer would receive \$50. Business and industrial customers would receive \$100 for a 24-hour outage. The average Pacific Power customer went without electricity for 68 minutes in 1997 and 90 minutes in 1998.

The Commission will make a decision on the proposed merger in September. The merger must also be approved by state utility commissions in Pacific Power’s service area and the Federal Energy Regulatory Commission. If approved, the merger would mark the first time a foreign company has purchased a major American electric-utility company.

For more information on the proposed PacificCorp/Scottish Power merger, check out the UTC website at www.wutc.wa.gov and click to the news page. We’ve posted more detailed information on the merger proposal, including staff’s testimony, and information on the timeline for the Commission to decide the case.

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CONSUMER NEWS IN BRIEF

New Area Code on the Way

Western Washington is ripe for another area code. This time, it's the region served by the 360 area code that is running out of telephone numbers. The new area code will likely be in place by spring of 2000. When the 360 area code was launched in January 1995, it was expected that another area code would not be needed for many years. But all over the country, telephone numbers are being used up by lines for Internet access, wireless phones and pagers, and the growing number of alternative telephone service providers. One option being considered is to use the new area code for new number assignments only. Current customers would not have to change their area code, but completing a local call would require dialing 10 digits. A decision on the area code format is expected later this summer. For more information: Tim Sweeney 360-664-1118. E-mail: tsweeney@wutc.wa.gov.

WTAP Rate Cut

Customers of the Washington Telephone Rate Assistance Program (WTAP) are seeing a lower rate for basic local telephone service. The monthly rate was recently reduced to \$4 (from \$7.50). WTAP helps customers who are eligible for financial or medical assistance from the Department of Social and Health Services. Besides local rates, WTAP also helps pay for installation and deposits. More information on WTAP is available from DSHS at 1-888-700-8880 (toll free).

Energy Pilot Winds Up

The state's first foray into electricity supply competition for residential and small business customers ended June 30. For the last two years, the 980 residents and small business owners living in the eastern Washington towns of Odessa and Harrington had two choices in electricity supply: Their traditional supplier (Avista Utilities) or Grant County PUD. At the height of the pilot program, 163 residences and 75 small business accounts were buying their power from Grant County PUD—which promised savings of six to 10 percent on the energy portion of a customer's bill. Avista, which sponsored the pilot program, announced that all participating customers had been switched back and that a final survey would be conducted. Avista will continue another residential electricity choice pilot in Deer Park for one more year. This pilot allows customers to select from a range of Avista supplied electricity options, including traditionally-priced electricity, "green" power and market-priced electricity. For more information: Deb Stephens 360-664-1210. E-mail: deborah@wutc.wa.gov.

Rail Crossing Safety Tips

You can't beat a train. Remembering that simple fact could save hundreds of lives every year. With the busy summer travel season upon us, it's especially important to remember these key safety tips.

- ◆ Wait for trains to completely clear a crossing before proceeding across the track. That means waiting for the crossing gate to raise and the warning signals or lights to stop.

- ◆ Stay behind the crossing gate as the train passes. This is the safe distance between you and the train — the cars are much wider than the tracks they ride on.

- ◆ Stay off the trains — it's dangerous and illegal. Trains often start with a jerk and you don't know when they are going to start. A simple misstep can send you into a coupler or under the wheels.

- ◆ Don't put anything on the tracks. Even the smallest object on the rails can cause danger to people on the trains or nearby.

- ◆ Cross only at public streets — and remember to look both ways and listen for a train.

The Commission's Operation Lifesaver program teaches these safety tips to thousands of citizens each year. Recently, the UTC worked with the Seattle Mariners to develop a brochure to promote safety around the tracks by Safeco Field. If you'd like to schedule an Operation Lifesaver presentation for your organization, call Bob Boston at 360-664-1264 or contact him by e-mail at bboston@wutc.wa.gov.

How to Prepare for Y2K

The Y2K problem is unnerving to many people because no one knows just what will happen. While most systems appear on their way to being fixed, there may well be some disruptions. The American Red Cross recommends that citizens prepare for Y2K the same way they would prepare for a winter storm – be ready to do without key services for up to a week. Here are some specific steps to take:

1. Check computer controlled electronic equipment in your home for Y2K problems. Manufacturers should be able to tell you if you have a potential problem. Be sure to check not just computers, but all equipment with embedded computer chips such as alarm systems, programmable thermostats, appliances, and consumer electronics.
2. Stock enough non-perishable food, water, and essential medications to last a week. Replenish your first aid kit with fresh supplies and keep your auto's gas tank above half full.
3. Keep some extra cash or travelers checks on hand in case banks or ATM machines are affected.
4. Guard against power outages by keeping extra batteries and flashlights on hand, along with ample blankets, gloves, hats, and coats to keep warm. Don't use an alternative heating or cooking source unless it is approved for indoor use. Be sure to check your smoke alarms.

5. If you have a generator make sure it is serviced and properly connected. Your electric company should be able to provide you with information about safe generator operation.
6. Keep an up-to-date list of emergency resource numbers in an easy-to-find location. These include fire, police, health care providers, and key family contacts.
7. Most of all – don't wait to the last minute to make preparations. Taking a little time now to make your plans and lay in supplies will let you approach the New Year with peace of mind.

More information on Y2K preparedness can be found at the Red Cross web site (www.redcross.org). The UTC would be happy to send you a copy of the Red Cross brochure. Call 1-800-562-6150 and choose the publications option from the menu, write to us or e-mail us at info@wutc.wa.gov.



Taking a little time now to make your plans and lay in supplies will let you approach the New Year with peace of mind.

Utilities File Y2K Reports

The investor-owned telephone, electric, and natural gas companies which are regulated by the UTC have been reporting their Y2K progress, as well as contingency plans in the event of a Y2K problem. Water companies are reporting to the Department of Health.

The UTC has asked companies to report on three standard factors, so that results may be compared across industries.

The "Inventory" factor looks at whether companies have identified all of their systems, such as computer hardware and software, that might have a Y2K problem.

The "Assessment" factor tracks the process of determining where dates are used in the systems, and whether there actually is a Y2K problem.

The "Remediation/Testing" factor tracks progress in fixing specific Y2K problems, and then testing the system to make sure it continues to work properly in all respects.

As of the end of the first quarter of 1999, utilities were making significant progress in addressing Y2K issues. For long distance telephone companies, on average 89% of systems had been inventoried and assessed and 62% had been fixed and tested. For the largest local telephone companies (US West and GTE), 100% of systems had been inventoried and assessed and 87% had been fixed and tested. Smaller telephone companies saw 96% of systems inventoried, 89% assessed and 56% fixed and tested.

In natural gas, on average 100% of systems had been inventoried, 92% assessed, and 65% fixed and tested. For electric 100% were inventoried, 97% assessed, and 77% fixed and tested.

For all UTC regulated utilities, progress to date compares favorably with that of utilities nationwide. Second quarter data is being reviewed and will be posted to the UTC website (www.wutc.wa.gov/y2k) as soon as it is available. For more information you may also contact Jo Wadsworth, the UTC's Y2K coordinator at 360-664-1305. E-mail: jwadswor@wutc.wa.gov.

Check out these websites for more Y2K information:

www.wa.gov/dis/2000 -- read the state Y2K report and get valuable city and county specific information.

www.wutc.wa.gov/y2k -- the UTC website with the latest reports on regulated utilities and links

www.y2k.gov -- the federal government website with national information

www.redcross.org -- information on personal Y2K preparedness

FREQUENTLY ASKED QUESTIONS



Water Conservation

Making wise use of water is becoming more of an issue as customers cope with higher and higher water bills. Water companies struggle in their efforts to provide enough water to meet customer needs at a reasonable cost. Building new water systems is expensive, and those expenses are passed directly to customers. By conserving water, customers have more control over their bills and help delay the need for expensive system upgrades that lead to higher rates.

What's the biggest water use for households?

After lawn watering — believe it or not — toilet flushing is the number one water use. For a family of four, flushing the toilet accounts for 40 percent of their water usage. Installing low-volume toilets can greatly reduce this amount. If it is too costly to install a new toilet, placing a glass jar, a plastic bag, or a jug filled with water in the toilet tank will reduce the amount of water used. After placing one of these in the toilet, make sure to flush the toilet to see if it is still working adequately. There also are times when toilets can leak. To check for leakage, put a few drops of food coloring in the tank. Wait a few minutes, then check the toilet bowl. If you see the food coloring, then there is a leak which should be fixed. It is a good idea to check for leaks about once a year.

Does bathing rather than showering save water?

Many people think taking a bath conserves more water than showering. To check your shower usage, close the drain when you shower. If the water fills up to a higher level than your normal bath level, then taking a bath is the better option. If you take showers you can

check how fast your showerhead is using water with a bucket and a watch that measures seconds. Mark the bucket at the one-gallon level. Turn on the shower as if you were taking a shower. Place the bucket under the showerhead to catch the water and time it for 24 seconds. If the bucket is filled near the one-gallon level, your showerhead is working fine. If you find more than one-gallon, installing a new low-flow showerhead will save water. These are fairly low in price and can be purchased at most hardware stores. These water savings are important — after the toilet, the bath is the next highest household water user.

How often should I run the dishwasher or do laundry?

Doing laundry and running the dishwasher are the next highest uses of water. Running both the washing machine and the dishwasher at full loads reduces the amount of water and saves work time as well. The dishwasher operates more efficiently if the dishes are scraped without rinsing and placed directly into the dishwasher.

These are just a few tips in reducing the amount of water we use. Water is a valuable resource which needs to be treated wisely. Conserving the amount we use will help ensure there is an adequate supply for all of us while keeping our costs at a minimum.

Thanks to Tani Thurston of the UTC Consumer Affairs Section for preparing this FAQ. If you have questions you'd like to see featured in the FAQ, send them to Editor, News&Views, PO Box 47250, Olympia, WA 98507 or e-mail them to info@wutc.wa.gov.

FROM THE UTC LIBRARY

Learn About Electricity Deregulation

Ready to shop for your own electricity? Probably not, if you are like most consumers who receive electric service from utility companies that are regulated monopolies. Now that some of those monopolies are breaking up, the electric industry is undergoing deregulation and “restructuring”. The changes will affect how Americans live every day. While Washington state has not opted for legislatively ordered “restructuring,” the industry here is changing as well. At the UTC Library, we’re always looking for new resources that help people understand the changes that are going on in regulated industries. Here are some websites we’ve found that do a good job explaining the issues involved in energy deregulation fairly and in plain english. You can also find these links at the UTC website (www.wutc.wa.gov).

THE AMERICAN ASSOCIATION OF RETIRED PERSONS (AARP) maintains an excellent Internet website full of information to help consumers understand electric industry restructuring. Presentation of this information is clear and concise. Some of the topics covered are: A brief background on the current system of electric service and regulation; explanation of the forces driving restructuring; pro and con arguments about electric restructuring; nine consumer protection essentials endorsed by AARP; as well as action ideas and links to more resources for the average residential electricity consumer. Take a look at <http://www.aarp.org/electric/>.

To check the status of electric deregulation/restructuring in your state, link to ELECTRIC POWER INDUSTRY RESTRUCTURING presented by the U.S. Department of Energy’s Energy Information Administration at www.eia.doe.gov. Their status report provides a map and chart, updated monthly, which shows deregulation activity by state.

Want to learn even more? ENERGY UNIVERSITY is the place to go! Sign up for a Web-based course and cover the material at your own pace. There are a number of courses available, including “How to Choose an Energy Supplier” and “How to Save Energy (and Save Money).” See <http://www.energy.com/eu/>.

Thanks to UTC Librarian Mary Lu White for preparing this column. Have a topic you’d like to see featured? You can contact Mary Lu at 360-664-1199, or e-mail your suggestions to info@wutc.wa.gov.

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adopted a new business strategy and transformed into Avista. PacificCorp has proposed a merger with Scottish Power. Each of these utilities appears to be adopting differing strategies to operate in the energy marketplace. Further structural changes can be anticipated with competitive generation and the creation of some form of regional transmission organization.

From the customer side, large customers have been able to negotiate special contracts that help them benefit from low market prices (and subject them to market risk when prices rise). Pilot projects have begun to test residential customer interest in having a choice of electric providers. Regulatory rules are being modified to accommodate marketplace changes. Rather than guessing at the future market structure, companies, customers and regulators are matching their responses to actual market developments.

After the new market structure has a chance to develop, then national legislation may be useful to ensure uniformity and tie up loose ends. For now though, following the lead of Hippocrates and “doing no harm” may turn out to be the best way to do the public good.

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In This Issue

*Learn how to prepare for Y2K, update yourself on the UTC review
of Pacific Power's proposed merger, review your rail crossing
safety skills, get your water conservation questions answered,
and discover energy education websites.*

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